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## OPEN MEETING ITEM

U-11 OM

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## MEMORANDUM

RECEIVED  
AZ CORP COMMISSION

JAN 2 3 17 PM '98

DOCKETED BY

TO THE COMMISSION

FROM Utilities Division

DATE January 2, 1998

RE IN THE MATTER OF THE APPLICATION OF TRICO ELECTRIC COOPERATIVE, INC. - FILING FOR AN EXTENSION OF TIME IN WHICH TO FILE ITS UNBUNDLED SERVICE TARIFFS (DOCKET NO. E-01461A-97-0696)

On December 9, 1997, Trico Electric Cooperative, Inc. submitted a request for extension of time in which to file its unbundled tariffs as required by A A C R14-2-1606 C

Staff has reviewed the request for extension. Affected utilities have known since December 26, 1996, that the subject filing(s) were due at the end of 1997. There are twelve affected utilities which include Arizona's investor-owned utilities as well as Arizona's electric cooperatives. The Retail Electric Competition Rules, A A C, R14-2-1601 et seq., contemplate the need for a substantial amount of time to evaluate and conduct proceedings on a variety of filings of affected utilities prior to the start of retail electric competition on January 1, 1999. The need for adequate time is the reason why the rules require a December 31, 1997, filing date.

Because all affected utilities will be filing unbundled tariffs, customer selection plans, system benefits charge calculations, stranded cost calculations, and possibly standard offer tariffs, it is imperative that all affected utilities are strictly held to filing schedules.

Failure to allow adequate time for proper evaluation, adequate public notice, and a reasonable review process could have an impact on the start of retail electric competition in Arizona. Requiring prompt filing of required items would allow Staff, as well as other intervenors, adequate time for thoughtful and prudent review and processing of all filings.

If the Arizona Corporation Commission (Commission) were to grant the waivers as requested by one-half of the twelve affected utilities, the result would require the Commission to delay review of certain retail electric competition filings until later in 1998, precipitating scheduling difficulties.

Arizona Corporation Commission  
DOCKETED

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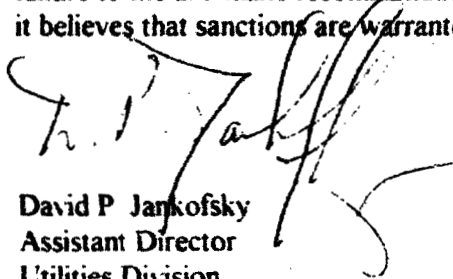
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THE COMMISSION

January 2, 1998

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Staff recommends that the waiver request be denied and that the applicant be ordered to provide the required filing immediately. Further, Staff recommends that if the filing is not made by January 30, 1998, that the Commission direct Staff to evaluate the circumstances behind the failure to file and make recommendations for specific sanctions to be imposed on the applicant if it believes that sanctions are warranted



David P. Jankofsky  
Assistant Director  
Utilities Division

DPJ BG clw/CCK

ORIGINATOR: Robert Gray

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **JIM IRVIN**  
Commissioner - Chairman  
3 **RENZ D. JENNINGS**  
Commissioner  
4 **CARL J. KUNASEK**  
Commissioner  
5

6 IN THE MATTER OF THE APPLICATION )  
OF TRICO ELECTRIC COOPERATIVE )  
7 INC. - FILING FOR AN EXTENSION OF )  
TIME IN WHICH TO FILE ITS )  
8 UNBUNDLED SERVICE TARIFFS )  
9

DOCKET NO. E-01461A-97-0696

DECISION NO. \_\_\_\_\_

ORDER

10 Open Meeting  
January 13 and 14, 1998  
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. On December 9, 1997, Trico Electric Cooperative, Inc. (Trico) submitted a  
15 request for extension of time in which to file its unbundled tariffs as required by A.A.C. R14-2-  
16 1606.C. Staff has reviewed the request for extension.

17 2. Affected utilities have known since December 26, 1996, that the subject filing(s)  
18 were due at the end of 1997. There are twelve affected utilities, which include Arizona's  
19 investor-owned utilities as well as Arizona's electric cooperatives.

20 3. The Retail Electric Competition Rules, A.A.C. R14-2-1601 et seq., contemplate  
21 the need for a substantial amount of time to evaluate and conduct proceedings on a variety of  
22 filings of affected utilities prior to the start of retail electric competition on January 1, 1999. The  
23 need for adequate time is the reason why the rules require a December 31, 1997, filing date.

24 4. Because all affected utilities will be filing unbundled tariffs, customer selection  
25 plans, system benefits charge calculations, stranded cost calculations, and possibly standard offer  
26 tariffs, it is imperative that all affected utilities are strictly held to filing schedules.

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1 5. Failure to allow adequate time for proper evaluation, adequate public notice, and a  
2 reasonable review process could have an impact on the start of retail electric competition in  
3 Arizona.

4 6. Requiring prompt filing of required items would allow Staff, as well as other  
5 intervenors, adequate time for thoughtful and prudent review and processing of all filings.

6 7. If the Arizona Corporation Commission (Commission) were to grant the waivers  
7 as requested by one-half of the twelve affected utilities, the result would require the Commission  
8 to delay review of certain retail electric competition filings until later in 1998, precipitating  
9 scheduling difficulties.

10 8. Staff has recommended that the request for a waiver from the Rule be denied and  
11 that the applicant be ordered to provide the required filing immediately.

12 9. Further, Staff has recommended that if the filing is not made by January 30, 1998,  
13 that the Commission direct Staff to evaluate the circumstances behind the failure to file and  
14 make recommendations for specific sanctions to be imposed on the applicant if it believes that  
15 sanctions are warranted.

#### 16 CONCLUSIONS OF LAW

17 1. Trico is an Arizona public service corporation within the meaning of Article XV,  
18 Section 2, of the Arizona Constitution.

19 2. The Commission has jurisdiction over Trico and over the subject matter of this  
20 docket.

21 3. Staff's recommendations contained in Findings of Fact Nos. 8 and 9 are reasonable  
22 and should be adopted.

#### 23 ORDER

24 THEREFORE, IT IS ORDERED that the request for a waiver is denied.

25 IT IS FURTHER ORDERED that Trico Electric Cooperative, Inc., shall file its  
26 unbundled tariffs immediately.

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1 IT IS FURTHER ORDERED that if the filing is not made by January 30, 1998. Staff  
2 shall evaluate the circumstances behind the failure to file and make recommendations for  
3 specific sanctions to be imposed on the applicant if it believes that sanctions are warranted.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

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7  
8 COMMISSIONER - CHAIRMAN

COMMISSIONER

COMMISSIONER

9  
10 IN WITNESS WHEREOF, I, JACK ROSE, Executive  
11 Secretary of the Arizona Corporation Commission, have  
12 hereunto, set my hand and caused the official seal of this  
13 Commission to be affixed at the Capitol, in the City of  
14 Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_ 1998.

15 \_\_\_\_\_  
16 JACK ROSE  
17 Executive Secretary

18 DISSENT \_\_\_\_\_

19 DPJ:BG:clw/CCK  
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